## REMARKS

This Amendment is submitted in response to the Office Action mailed on February 3, 2006. Claims 1 and 10 have been amended, and claims 1-18 remain pending in the present application. Applicants' counsel appreciates the courtesy extended by Examiner Chan during telephone interviews conducted with Examiner on April 26 and 28, 2006. In view of the foregoing amendments, as well as the following remarks, Applicants respectfully submit that this application is in complete condition for allowance and requests reconsideration of the application in this regard.

During the telephone interview conducted on April 26, 2006, Examiner
Chan and Applicants' counsel discussed amending each of independent claims 1 and
10 to recite that the drive mechanism is capable of moving the label applicator
mechanism "in a vertical direction" relative to the loaded pallet and also that the
programmable control causes the drive mechanism to move the label applicator
mechanism "in the vertical direction" so as to apply the printed label (Claim 1) or printed
labels (Claim 10) to one side (Claim 1) or two sides (Claim 10) of the loaded pallet at
the predetermined label position (Claim 1) or predetermined label positions (Clam 10).
Examiner agreed that such amendments to claims 1 and 10 would place the case in
condition for allowance and indicated the amendments would be made by an
Examiner's amendment.

Following the initial telephone interview with Examiner on April 26, 2006, Examiner contacted Applicants' counsel and identified International Publication No. WO93/08081 (the International Publication) that was located by Examiner during an update search. It is believed that the International Publication corresponds to European Patent Application No. EP0608296 (the European Patent Application). Applicants filed a Supplemental Information Disclosure Statement on May 12, 2006 to cite the International Publication and European Patent Application and provided uncertified English translations of each cited reference.

Each of the International Publication and European Patent Application is directed to a label applicator system having one or more labeling devices (2, 3) for applying a label to a surface of a package. As shown in Figs. 3-5, each of the labeling devices (2, 3) has a flexible labeling arm (15) that receives a printed label from a printer (22) and applies the printed label to a surface of the package. The flexibility of the labeling arm (15) allows the arm to rotate past the package and return to its starting position. As shown in Figs. 3-5 of the International Publication and European Patent Application, the flexible labeling arm (15) is rotatable about a horizontal axis. Each of the labeling devices (2, 3) is adjustable in the horizontal and vertical directions.

To clearly define over the prior art of record, including the newly identified International Publication and European Patent Application, Applicants have amended each of independent claims 1 and 10 to recite that the label applicator mechanism includes a label applicator arm rotatable about a "generally vertical axis." Support for this amendment is provided at Page 26, lines 19-22 of Applicants' disclosure, for

example, and is shown in Figs. 9, 9A, 9B, 10 and 10A.

Applicants respectfully submit that the combination of elements recited in each of independent claims 1 and 10 is not taught or suggested by the prior art of

record and the rejections of these claims should be withdrawn.

Moreover, as claims 2-9 and 11-18 depend from allowable independent claims 1 and 10, respectively, and further as each of these claims recites a combination of elements not taught or suggested by the prior art of record, Applicants submit that these claims are allowable as well

Conclusion

In view of the foregoing response including the amendments and remarks, this application is submitted to be in complete condition for allowance and early notice to this affect is earnestly solicited. If there is any issue that remains which may be resolved by telephone conference, the Examiner is invited to contact the undersigned in order to resolve the same and expedite the allowance of this application.

Please see the electronic fee calculation sheet for the charge in the amount of \$60.00 for the One Month Extension of Time for a small entity. If any other fees are necessary, the Commissioner is hereby authorized to charge any

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underpayment or fees associated with this communication or credit any overpayment to Deposit Account No. 23-3000.

Respectfully submitted,

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